

# Mecklenburg County

## Quarterly Economic Update



May 2019

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## Report Summary

2019 started with a government shut-down, stock market correction, and tense trade talks between the US and China. Currently, with the Federal shut-down behind us and with some progress being made in trade negotiations, the stock market has recovered and recently set another all-time high. In the labor market, low unemployment is driving wages higher as businesses scramble to fill positions. Consumer sentiment rebounded from a decline at the beginning of the year, and now is holding at levels higher than the two-year average.

One concerning issue has been a slowdown in the national housing market. In Mecklenburg County we are starting to see slower growth in the housing market as well, although we are still in a very healthy market overall. Slow growth in inflation has placed a hold on the ability of the Federal Reserve to continue its increases to the Fed Funds rate and we will likely not see any more increases for the remainder of the year.

Overall, first quarter GDP figures show an economy performing well at both at the national and local level. However, many of the factors that increased the first quarter GDP are unsustainable, which means we may be in store for a weaker second quarter. In summation, the current expansion still looks stable with a low possibility for a recession in the near term.

*Note: Unless otherwise noted all dates and charts refer to calendar year*

## National Summary

The nation's GDP grew at 3.2% in the first quarter, with GDP growth expected to average 2.6% in 2019 and 2.1% in 2020.



- Non-seasonally adjusted unemployment for the nation was 4.1% in December.
- US nonfarm payroll employment increased by 196,000 in March. Overall the 3-month average dropped from 233,000 in the fourth quarter to 180,000 in the first quarter.
- Consumer confidence rebounded in March to 98.4 from the previous mark of 93.8, slightly above the average of 97.2 recorded in the past 26 months.
- The Federal Reserve's preferred measure of Inflation was 1.5% in March, below the Fed's 2.0% target. Inflation below the target is the primary factor the Fed Funds rate hasn't increased past its current rate of 2.5%.

National Summary	Most Recent	Current Level	1 Yr Ago	5 Yr Ago	10 Yr Ago
Real GDP Growth	Q1 2019	3.2%	2.2%	-1.0%	-4.4%
Points Variance			1.0%	4.2%	7.6%
US Nonfarm Payroll	Mar-19	196,000	182,000	250,000	-803,000
Percentage Change			7.7%	-21.6%	-124.4%
CPI-U	Mar-19	1.50%	2.07%	1.48%	-0.32%
Points Variance			0.6%	0.0%	-1.8%
Consumer Sentiment	Mar-19	98.4	101.4	80.0	57.3
Points Variance			-3.0	18.4	41.1
US Leading Index	Feb-19	1.10%	1.54%	1.39%	-2.40%
Points Variance			-0.4%	-0.3%	3.5%
National Gas Prices	Mar-19	\$ 2.52	\$2.59	\$3.53	\$1.96
\$ Variance			\$0.08	\$0.94	-\$1.57

*Notes: Green highlights above show improving statistics; red areas show declining statistics. Consumer Price Index for Urban Consumers (CPI-U) was not given a color ranking as inflation should be looked at relative to target inflation. Year over Year (YoY) points refer to percentage point variance. All YoY numbers are expressed in terms of the last update received. i.e. If the last available update was FY 2017 then the YoY will compare to FY 2016. References to specific dates indicates the YoY is calculated from that date.*

## Local Summary

- Unemployment is trending below the state and nation as of February. Mecklenburg's unemployment rate was 3.9% vs. 4.1% for the US and 4.2% for NC.
- Sales taxes collected for the County are up 4.4% for FY19. Refunds are up 28.2%. Fiscal-year-to-date refunds total \$31.9 million.
- Mecklenburg County's population grew 1.5% in 2018 with a population of 1,093,901. Mecklenburg County remains the largest county in NC ahead of Wake County (population 1,092,305).
- In the first three months of the year, homes values in Mecklenburg County have risen by 3.9% to an average price of \$317,415.
- In the fourth quarter of calendar year 2018, both the industrial and commercial markets performed well, with the commercial office market showing asking rent growth of 8.9% over the fourth quarter of 2017. The industrial market's asking rents grew by 10.5% over the same period.



Local Summary	Most Recent	Current Level	1 Yr Ago	5 Yr Ago	10 Yr Ago
Mecklenburg Population Level	FY 2018	1,093,400	1,076,837	991,619	891,819
Percentage Change			1.5%	10.3%	22.6%
Mecklenburg Poverty Population	FY 2017	120,634	127,889	153,049	93,220
Percentage Change			-5.7%	-21.2%	29.4%
Mecklenburg Poverty Population %	FY 2017	11.2%	12.1%	15.8%	10.8%
Points Variance			-0.9%	-4.6%	0.4%
Mecklenburg Unemployment Rate	Feb-19	3.9%	4.4%	7.0%	10.7%
Points Variance			-0.5%	-3.1%	-6.8%
Mecklenburg Employed	Apr-18	590,382	564,567	481,963	436,055
Percentage Change			4.6%	22.5%	35.4%

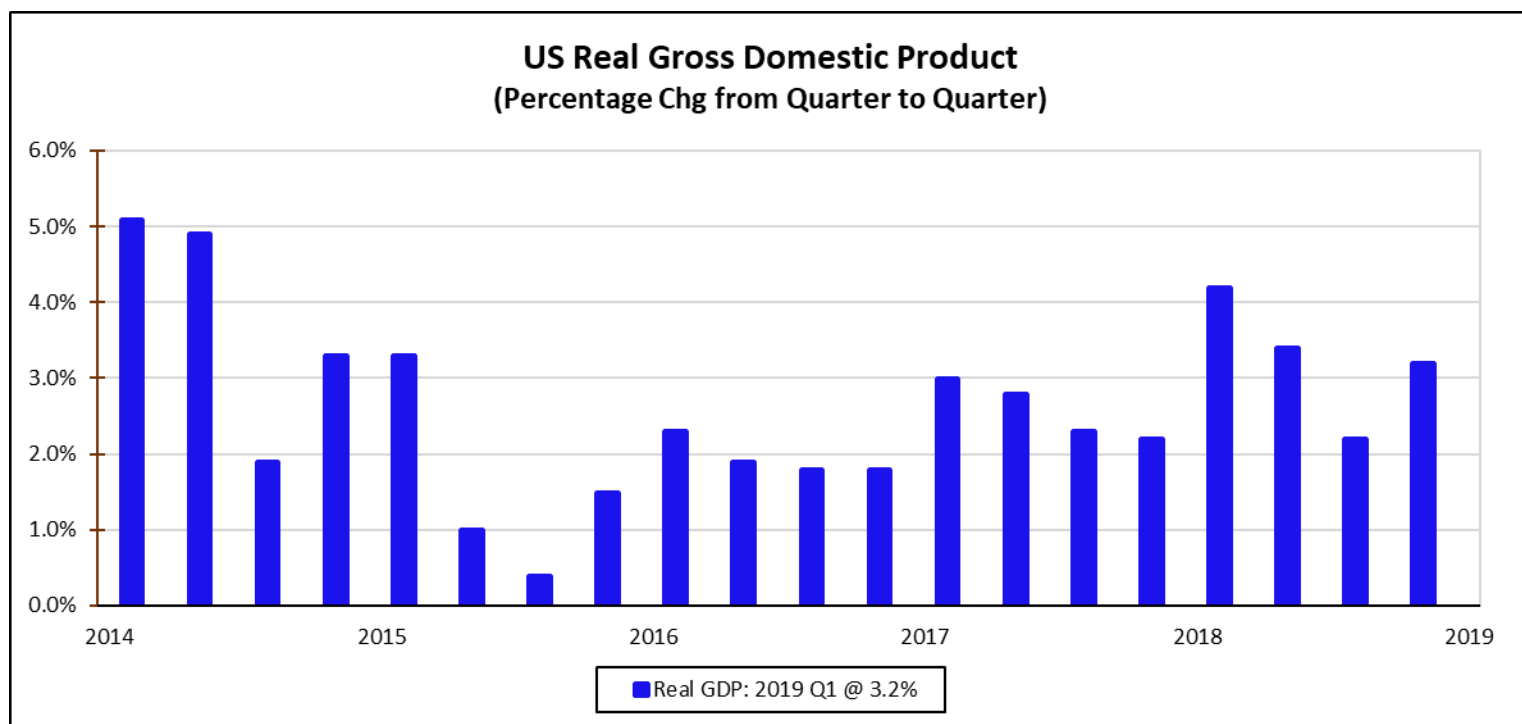
*Notes: Green highlights above show periods of positive results; red areas show declining results.*

## Gross Domestic Product

*The US grew 3.2% in the fourth quarter exceeding analyst estimates of 2.5%, but overall isn't as impressive as the headline makes it seem.*

The economy is doing much better than expected. GDP figures released in April show that in the first quarter the economy grew at 3.2% beating the 2.5% estimates by the consensus of economist polled by Dow Jones. This is the first time since 2013 that GDP for the first quarter has surpassed 3%. Normally, the first quarter is the weakest of the year. Even so, it is unlikely that the second quarter will perform as well. Much of the surprise upside in the figures showed that state and local government spending jumped 3.9%. This was likely to offset some negative factors of the government shutdown. Another factor was business inventories increased from \$128.4 billion from \$96.8 billion which will likely reverse in the second quarter.

The report did show some disappointing news as well. Consumer spending decelerating to 1.2%, which is the slowest increase in a year. Business fixed investment was also down to 2.7%, whereas the prior quarter showed a 5.4% gain. Furthermore, residential investment dropped to 2.8%, the fifth straight quarterly decline. Inflation remains below the target levels, making it less likely for the Fed to change the Fed Funds rate in the near term.



Source: Commerce Department

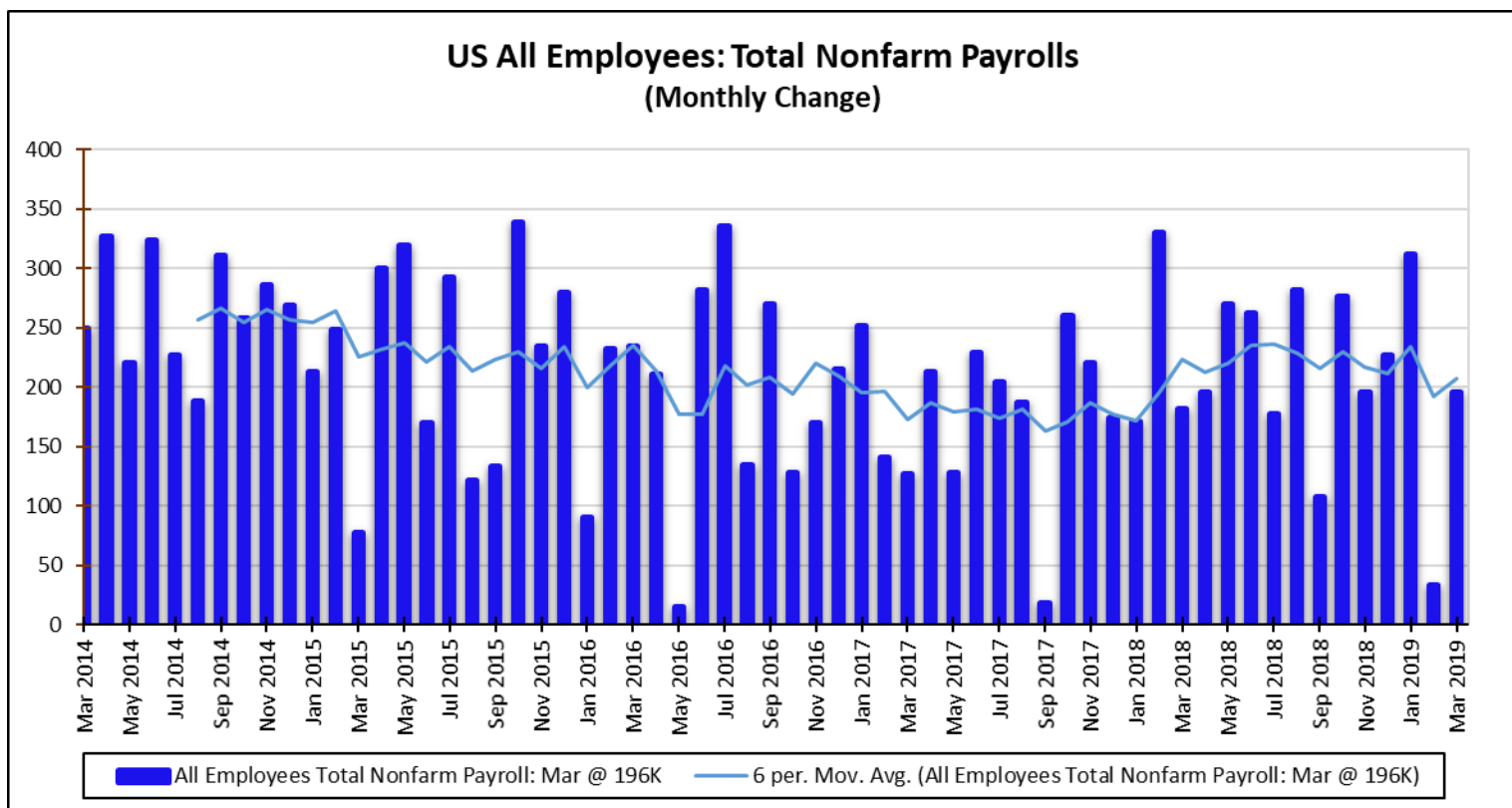
## Employment

*Employment numbers are down from the fourth quarter, but the labor market remains near its best levels in decades.*

In March, US nonfarm payroll employment increased by 196,000, which is more in line with expectations after January's impressive 312,000 jobs and February's abysmal 33,000 jobs. Overall, the 3-month average dropped from 233,000 in the fourth quarter to 180,000 in the first quarter. Small businesses are reporting that finding people to fill jobs is becoming extremely difficult, while individuals looking for jobs are overwhelmingly reporting them as "plentiful" versus "hard to get".

### Unemployment Rates

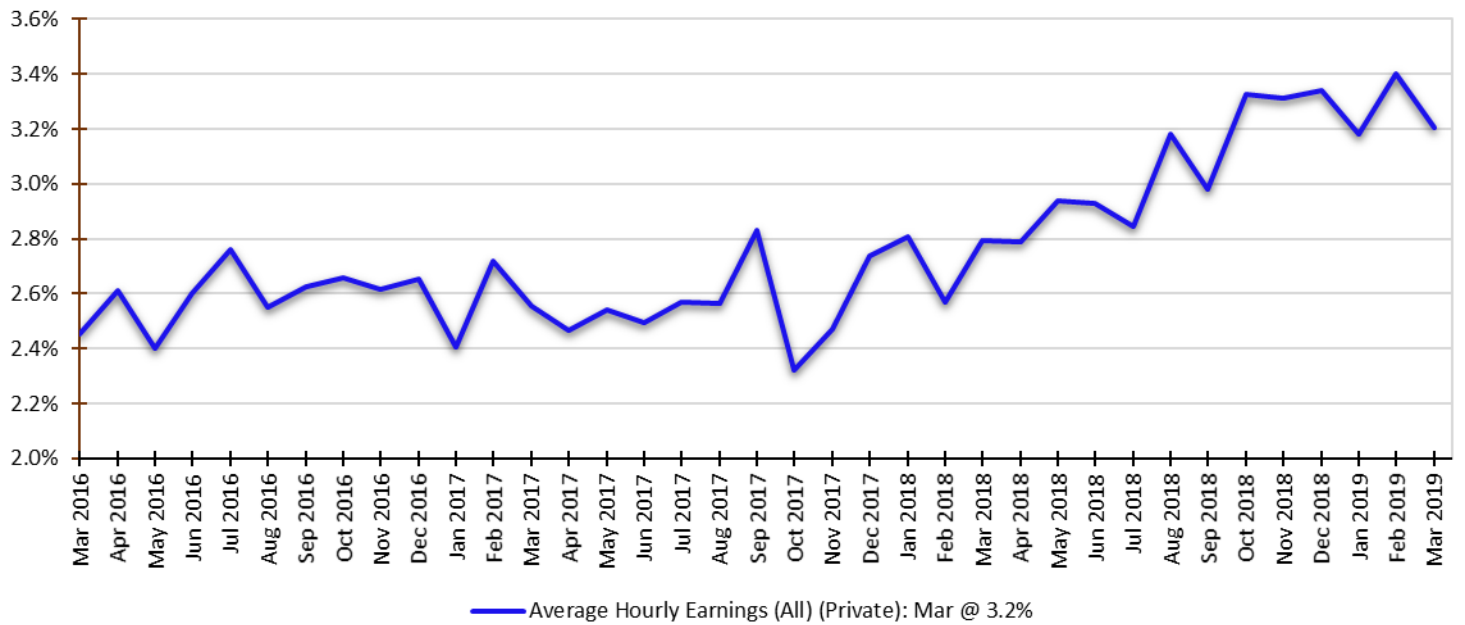
US	4.1%
NC	4.2%
Mecklenburg County	3.9%



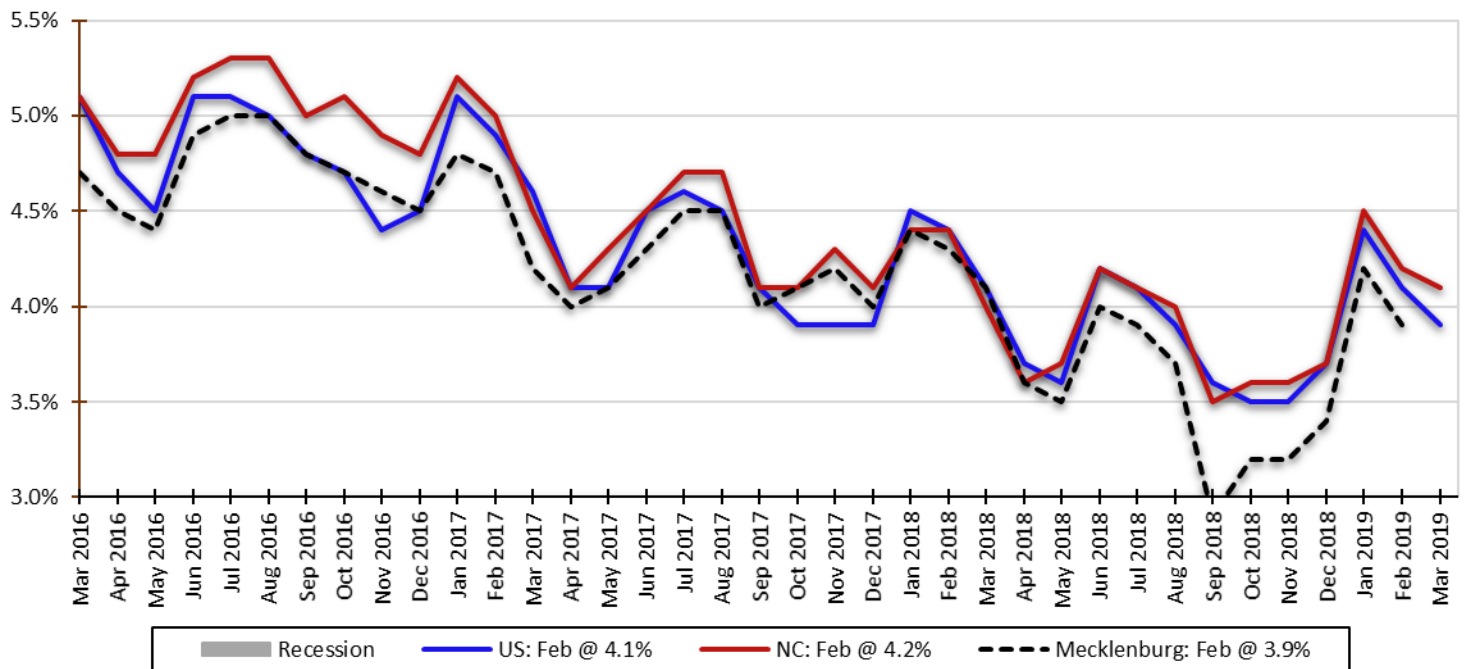
Wages have been on the rise since October 2017, when the year-over-year average hourly earnings was 2.3%. Since then there has been modest wage growth which we are now holding at 3.2% growth year-over-year.



### Average Hourly Earnings of All Private Employees (Year over Year Percentage Change)



### Unemployment Rate (Not Seasonally Adjusted)



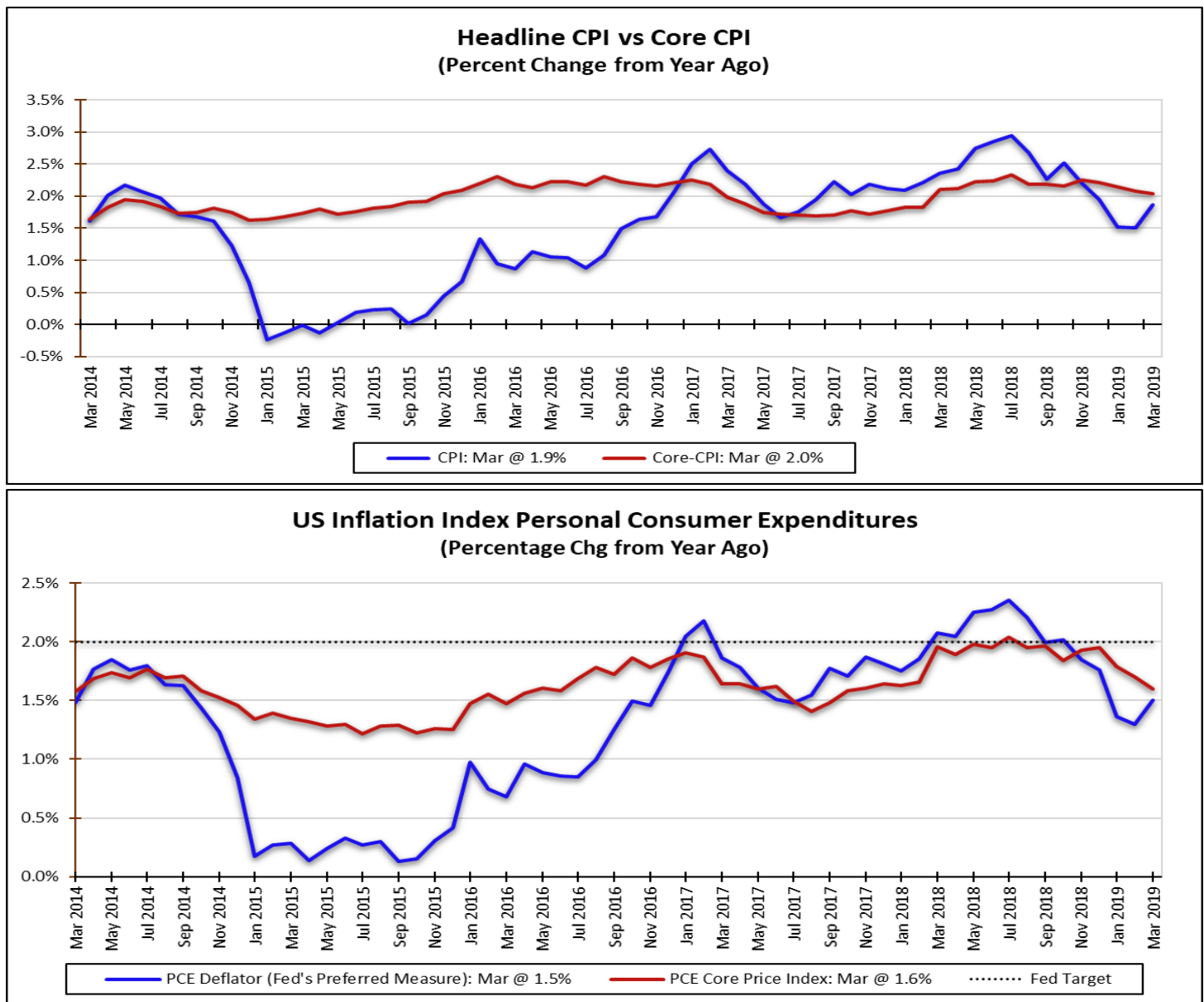
Source: Bureau of Labor Statistics and NC Commerce Dept

## Inflation

*Inflation continues to ride below the Fed's target, taking rate hikes off the table.*

Inflation remains below the Fed's 2.0% target which coupled with strong employment figures has allowed the Fed to take a break from further rate hikes. In March the CPI ticked up from 1.5% to 1.9%, gasoline prices having increased 6.5% in the month primarily drove the increase. However, the Core-CPI that eliminates food and energy has slowly declined in the first three months of the year. One of the main reasons for the decline in the Core-CPI is due to changes in collection procedures that rely on transactions rather than field surveyors.

There has been talk that the Fed may potentially reduce the Fed Funds rate, but in this low unemployment environment and with inflation remaining near target levels it is unlikely that we will see any cuts this year although the market has already priced in such a reduction.





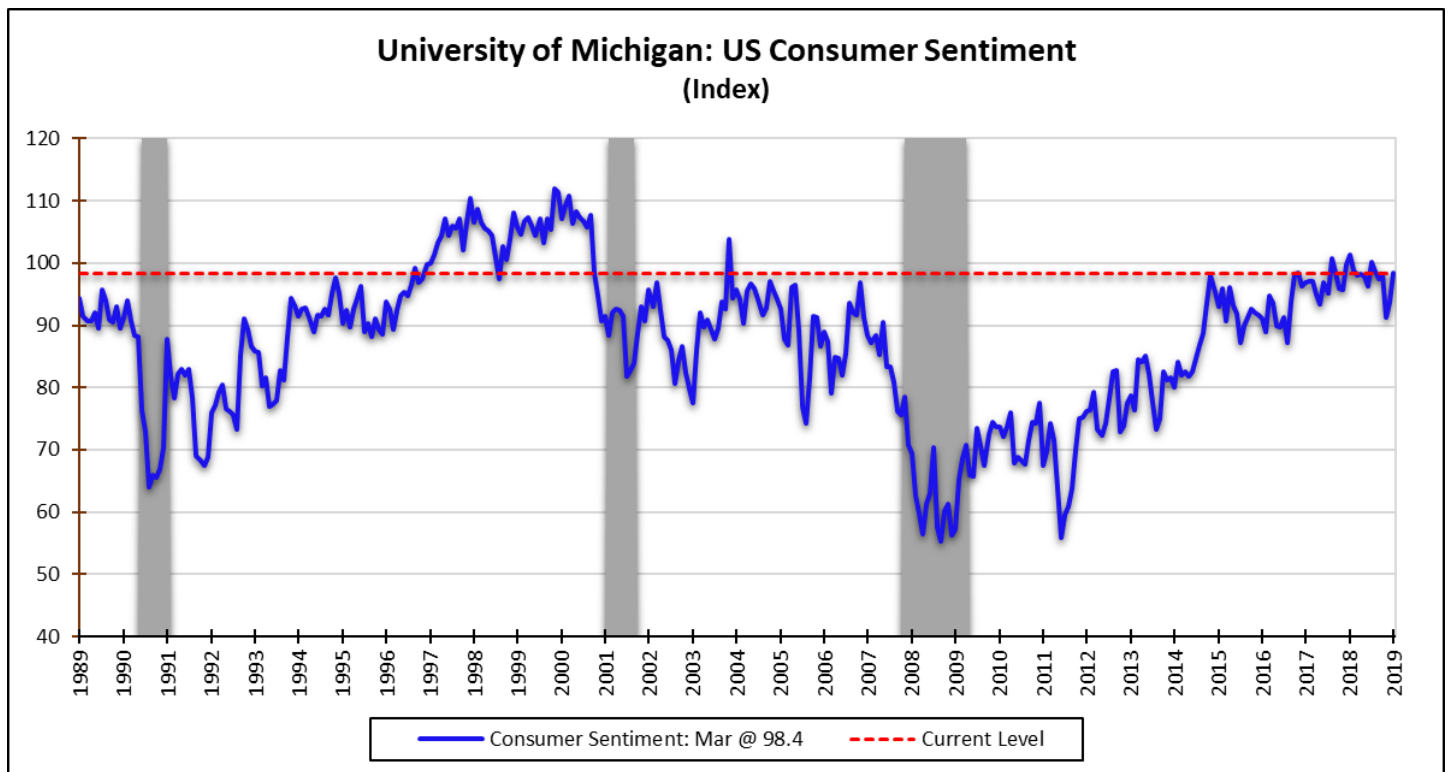
## Consumer Sentiment

*Consumer Sentiment rose to its highest level since October after issues like the government shutdown and drop in the stock market had spooked consumers.*

Consumer confidence rebounded in March to 98.4 from last month's 93.8, slightly above the average of 97.2 recorded in the past 26 months. The March gain in the Sentiment Index was entirely due to households with incomes in the bottom two-thirds of the income distribution, posting a gain of +7.1 Index-points, while households with incomes in the top third fell by 1.1 Index-points.

Some higher income households may not have seen as big a tax return this year. Another explanation is the strong job market, particularly blue-collar jobs.

The data suggests that consumer spending is likely to return to previous levels. Note that at the end of December we had a large sell off in the stock market, and in January the government shutdown made many consumers weary leading to a lower than expected fourth quarter GDP growth. More relevant to the County was that our January sales tax collection was down year-over-year largely due to less retail activity.



Source: University of Michigan

## Leading Economic Indicator (LEI)

*LEI suggests that US economy likely to decelerate to roughly 2% GDP growth by year-end, matching expectations of Fed.*

The Conference Board Leading Economic Index® (LEI) for the U.S. increased 0.4 percent in March to 111.9 (2016 = 100), following a 0.1 percent increase in February, and no change in January.

“The US LEI picked up in March with labor markets, consumers’ outlook, and financial conditions making the largest contributions,” said Ataman Ozyildirim, Director of Economic Research at The Conference Board.

“Despite the relatively large gain in March, the trend in the US LEI continues to moderate, suggesting that growth in the US economy is likely to decelerate toward its long-term potential of about 2 percent by year end.”

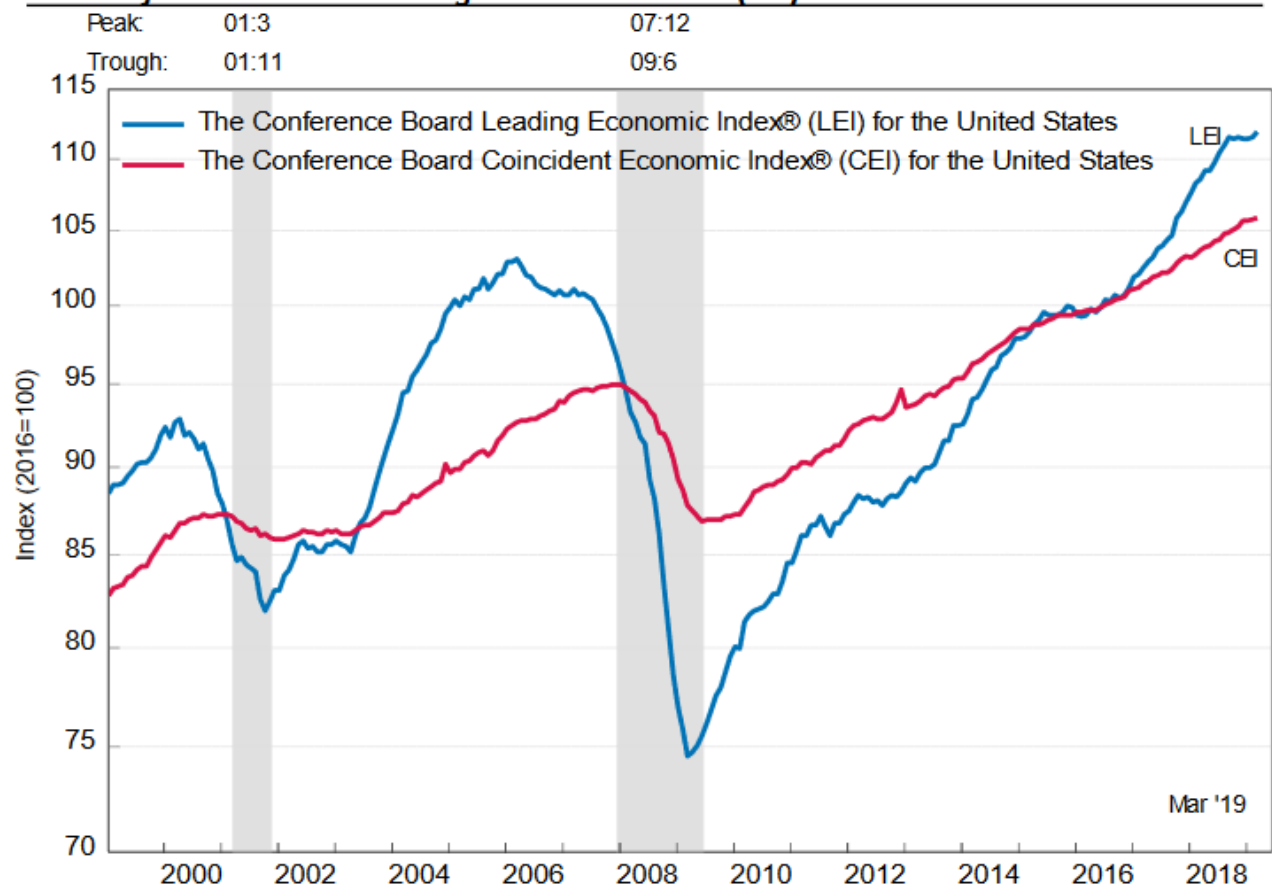
About *The Conference Board Leading Economic Index® (LEI)* for the US:

The composite economic indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. The leading, coincident, and lagging economic indexes are essentially composite averages of several individual leading, coincident, or lagging indicators. They are constructed to summarize and reveal common turning point patterns in economic data in a clearer and more convincing manner than any individual component – primarily because they smooth out some of the volatility of individual components.

The ten components of The Conference Board Leading Economic Index® for the US include:

- Average weekly hours, manufacturing
- Average weekly initial claims for unemployment insurance
- Manufacturers’ new orders, consumer goods and materials
- ISM® Index of New Orders
- Manufacturers’ new orders, nondefense capital goods excluding aircraft orders
- Building permits, new private housing units
- Stock prices, 500 common stocks
- Leading Credit Index™
- Interest rate spread, 10-year Treasury bonds less federal funds
- Average consumer expectations for business condition

# **The Conference Board Leading Economic Index® (LEI) for the U.S. Increased in March**



**Summary Table of Composite Economic Indexes**

	2019			6-month
	Jan	Feb	Mar	Sep to Mar
Leading Index	111.4 r	111.5	111.9 p	
Percent Change	0.0	0.1 r	0.4 p	0.4
Diffusion	55.0	65.0	95.0	50.0
Coincident Index	105.6 r	105.7 r	105.8 p	
Percent Change	0.0 r	0.1 r	0.1 p	1.0
Diffusion	50.0	87.5	75.0	100.0
Lagging Index	106.9 r	106.9 r	107.0 p	
Percent Change	0.6	0.0	0.1 p	2.0
Diffusion	57.1	57.1	64.3	100.0

p Preliminary r Revised

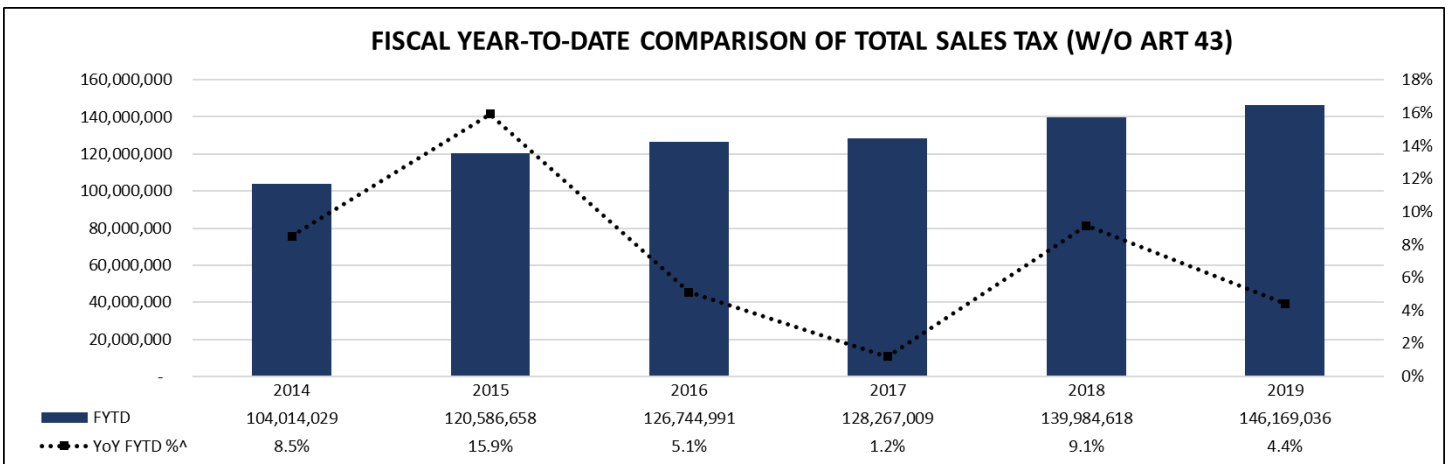
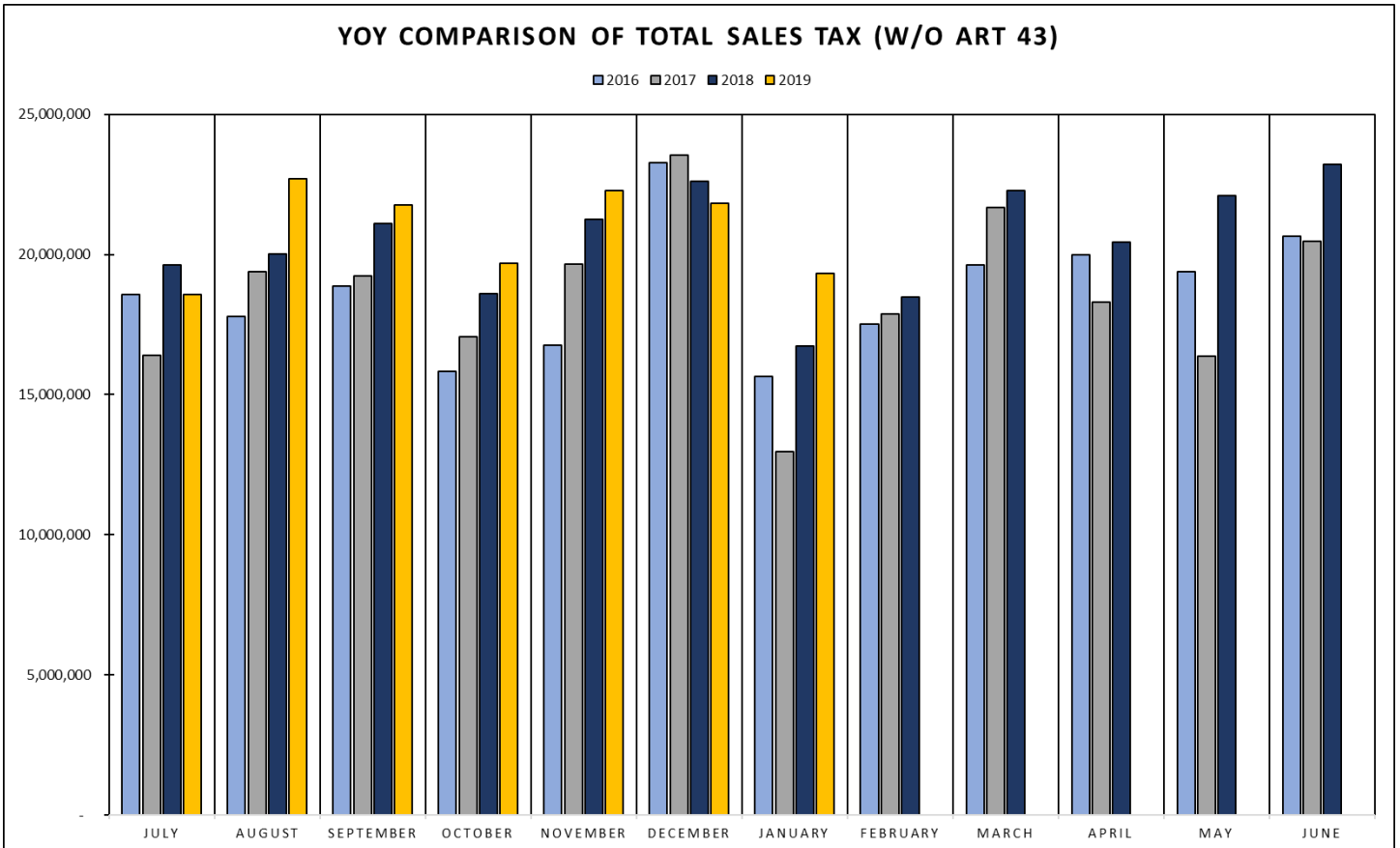
Indexes equal 100 in 2016

Source: The Conference Board

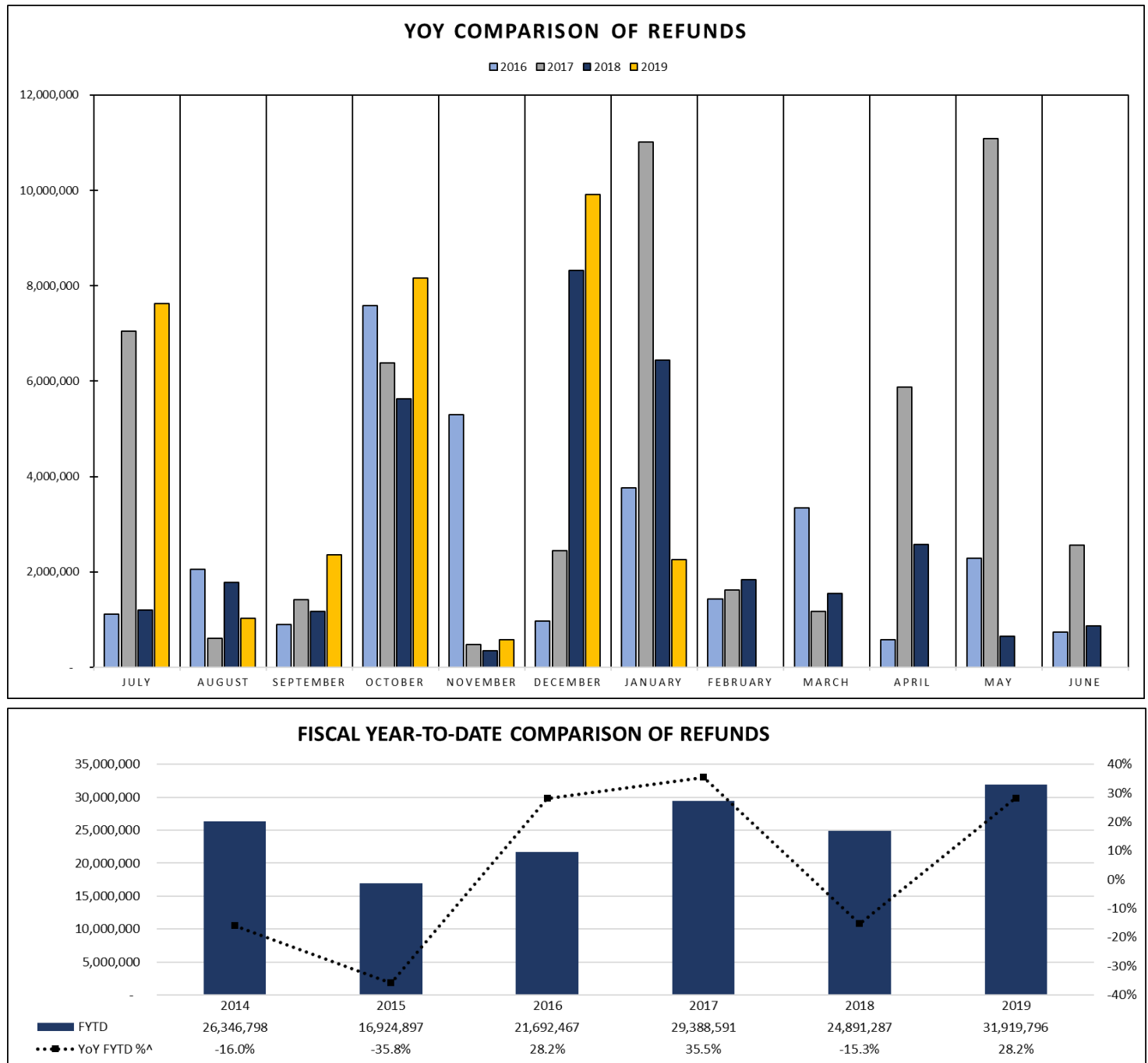
## Sales Taxes

*Sales tax revenues are up 4.4% fiscal year-to-date, with refunds up 28.2% for the fiscal year.*

To date taxes are up year-over-year 4.4% in the seventh month of the fiscal year, with sales taxes for the fiscal year at \$146.1 million vs. \$139.9 million in the previous year. December showed some weakness with sales tax revenues down -3.5% but recovered in January, up 15.5% year-over-year.



Refunds in January come in light, at \$2.2 million compared to \$6.4 million last year. To date, refunds for the year are up 28.2% and are will almost certainly surpass the fiscal year 2018 total of \$32.4 million. Refunds for fiscal year 2019 currently stand at \$31.9 million.



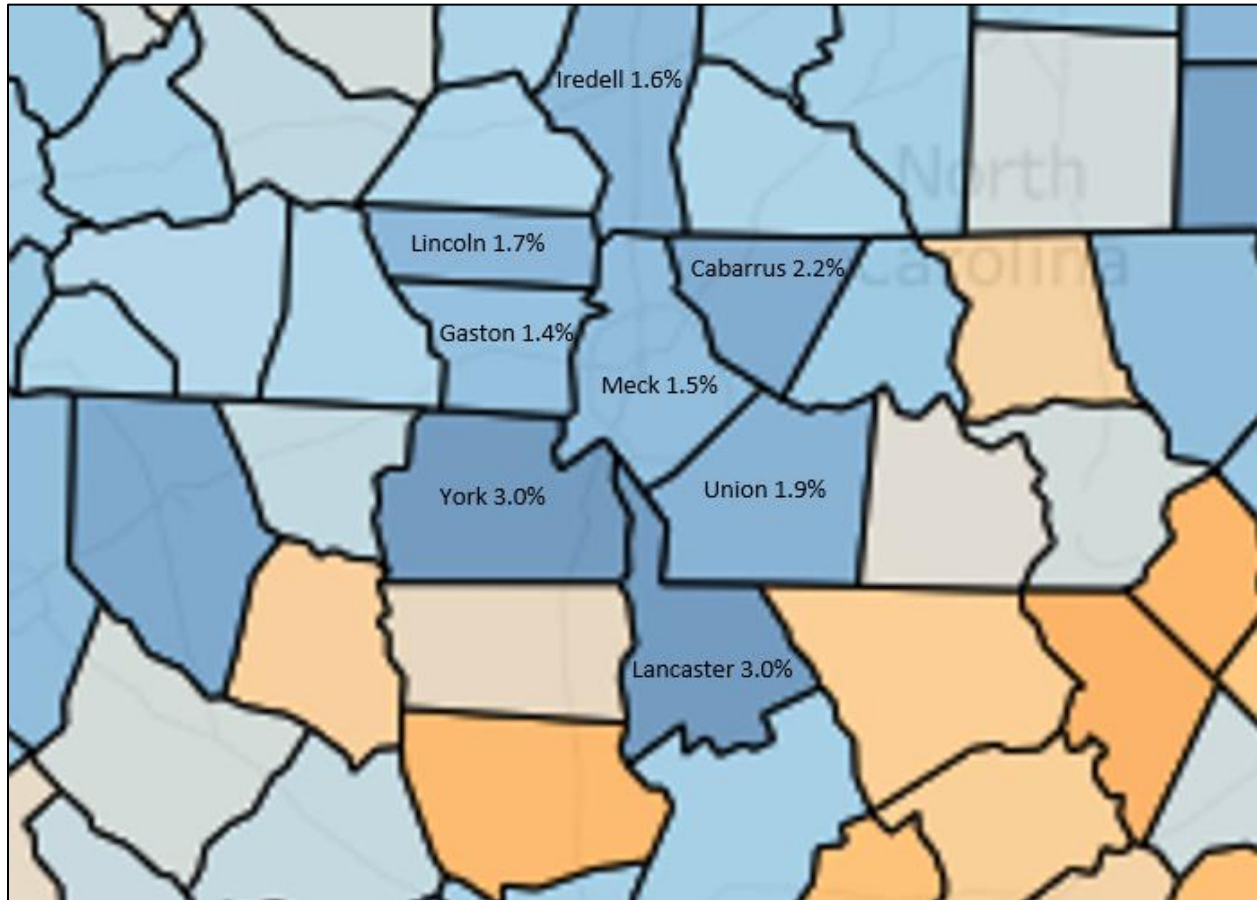
Source: North Carolina Department of Revenue (NCDOR)

## 2018 Population Data

Recent Census data shows the population for Mecklenburg County increased by 1.5% to 1,093,901. Overall, the County is growing by approximately 47 new persons each day.

Wake County continued its trend of a faster growth in population of 1.9%, and closed 2018 with 1,092,305 people. Wake County is currently growing by 55 new persons daily.

Of the seven counties bordering Mecklenburg, only Gaston County grew slower at 1.4%. The bordering South Carolina counties of York and Lancaster were the fastest growing counties, both at 3.0%. For the North Carolina counties, the fastest growth was to the east with Cabarrus at 2.2% and Union at 1.9%.



*The map above shows population changes from 2017 to 2018. Blue represents growth and orange represents declining population*



# Mecklenburg County Office Market Statistics

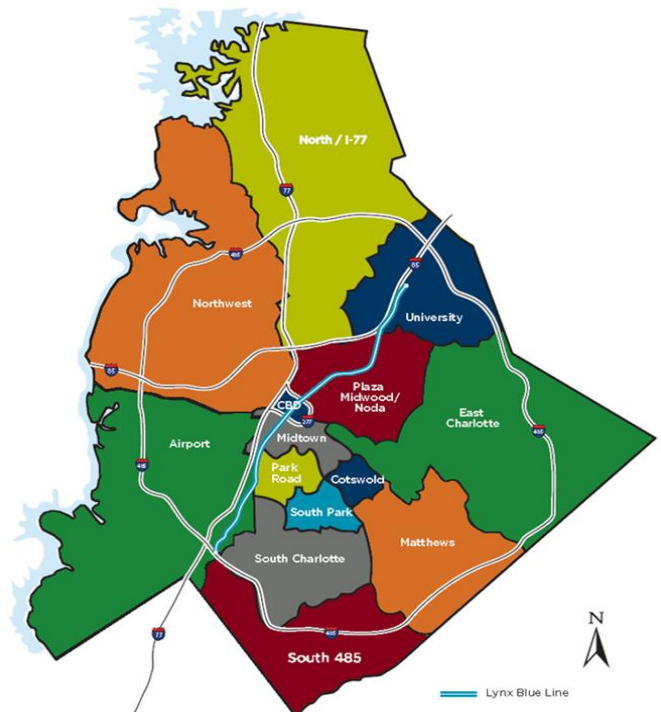
*The office market has experienced a lower vacancy rate, increasing rates, and increased construction spending over the same time last year.*

## Urban Market

The urban market year-over-year asking rents are up 7.2% to \$32.62 with vacancy rates at 7.8%. Construction is booming with approximately 2.9 million square feet of commercial space under development. In the Uptown market construction began on the 156,000 square foot FNB tower, which is expected to be completed in early 2021. Also announced was the approved second phase of Legacy Union located at 650 S Tryon. Lincoln Harris and Goldman Sachs announced that this 363,500-sf Class A office building will be anchored by Deloitte, who will take 90,000 sf on the top floors. Combined with Phase I, Legacy Union will deliver over 1.0 Million sf of total office space, bridging the gap between Uptown and Midtown. The average asking rent for Uptown is currently \$32.78 psf. with prime rents reaching \$40.00 psf. The Midtown market is also hot, and the trend is expected to continue with the recent approval by the Charlotte City Council in favor of Spectrum's mixed-use 440,000-sf office building located near similar developments such as Dimensional Place and the Railyard. This trend does not only pertain to the south side of Charlotte, but also north, where speculative sites such as CAMP North End and the General Assembly have been announced.

## Suburban Market

The suburban market year-over-year asking rents are up 8.5% to \$24.45 with vacancy rates at 8.8%. The suburban markets continue to perform well adding 1.3 million new square feet of office space. In the SouthPark submarket, the sale of Capitol Tower fetched \$435 per square foot. There were two large sales in the University submarket, the Cambridge Corporate Center at \$180 per square foot and Three Resource Square at \$148 per square foot. The suburban market delivered 398,094 square foot of new inventory with 83% of the new deliveries coming from the Airport Submarket.

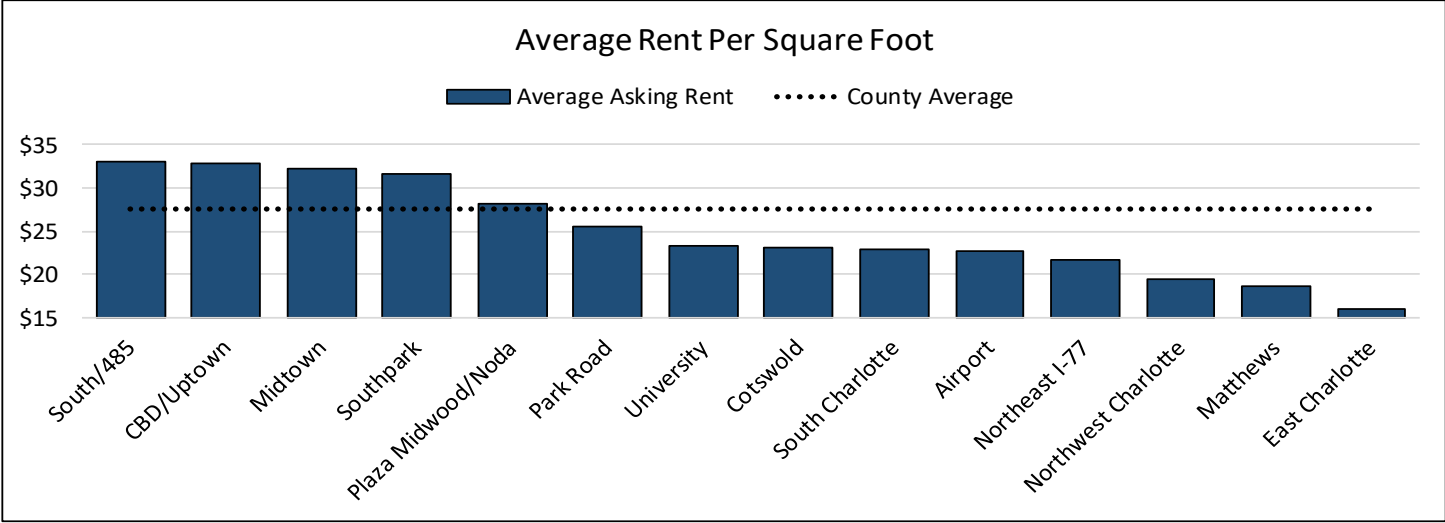
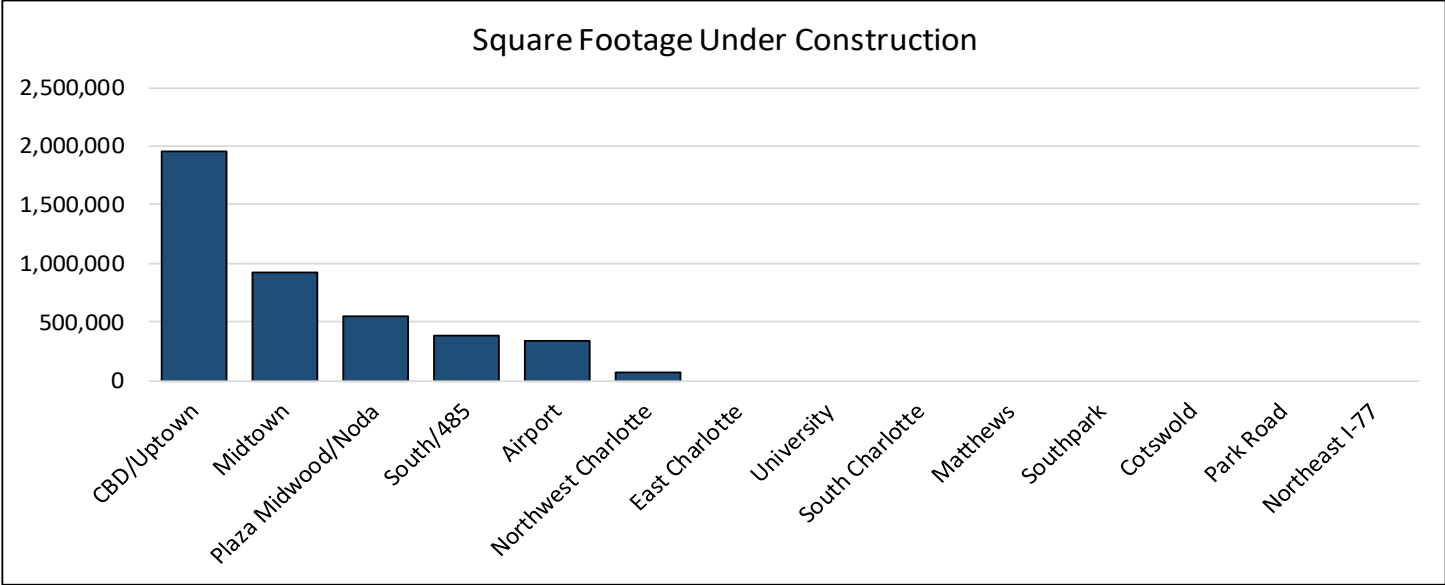
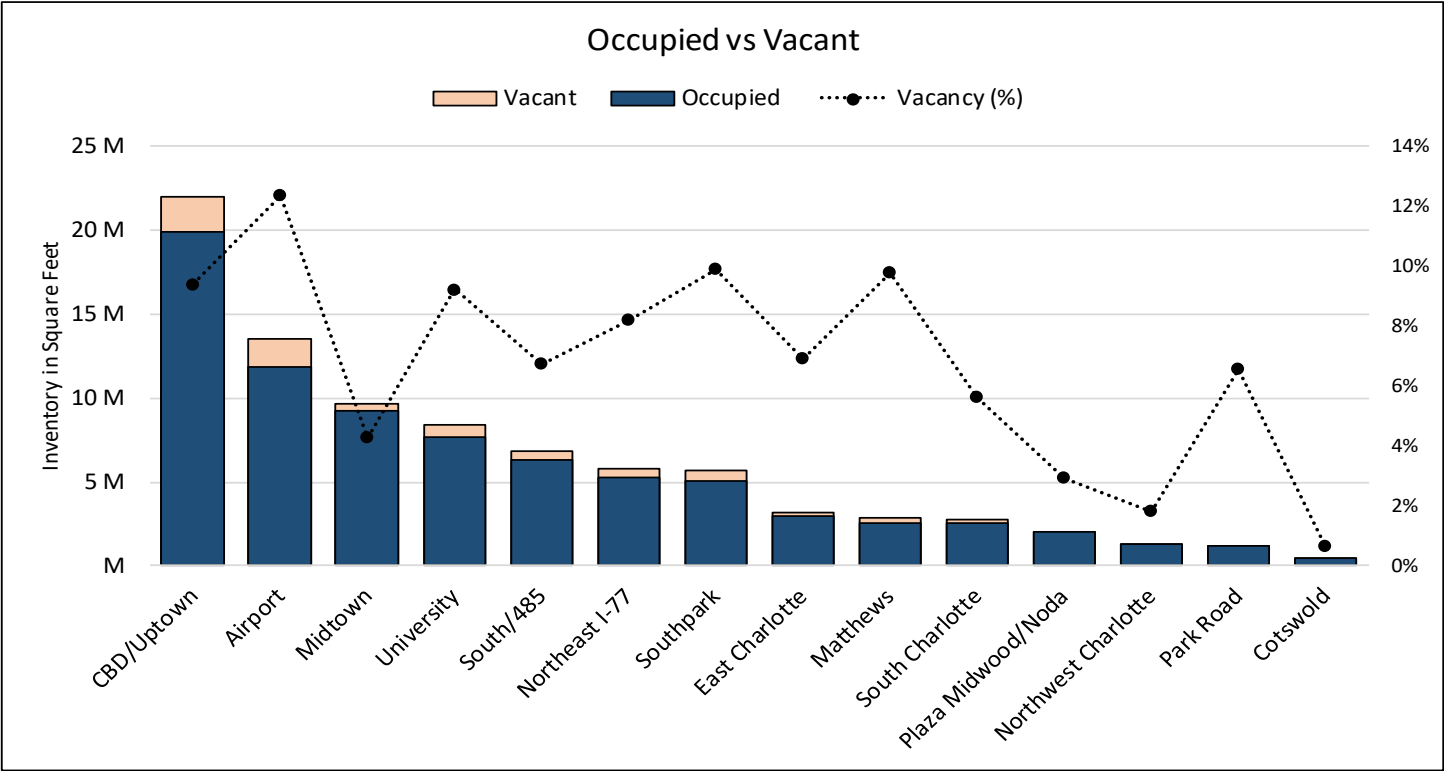


## OFFICE MARKET STATISTICS - FOURTH QUARTER 2018

Submarket	Total Buildings	Inventory (SF)	Direct Vacant (SF)	Total Vacant (SF)	Overall Vacancy	YTD Net Absorption	YTD Deliveries (SF)	Under Construction	Average Asking Rent
CBD/Uptown	123	22,018,329	1,980,079	2,070,431	9.4%	554,810	-	1,957,573	\$32.78
Midtown	650	9,698,078	408,238	416,080	4.3%	-92,939	-	927,935	\$32.27
<b>Urban Market Total</b>	<b>773</b>	<b>31,716,407</b>	<b>2,388,317</b>	<b>2,486,511</b>	<b>7.8%</b>	<b>461,871</b>	<b>-</b>	<b>2,885,508</b>	<b>\$32.62</b>
Northeast I-77	394	5,746,928	401,986	471,019	8.2%	3,802	42,093	-	\$21.62
Northwest Charlotte	195	1,335,695	24,187	24,187	1.8%	38,594	10,834	67,920	\$19.38
University	154	8,431,113	770,114	778,237	9.2%	92,466	-	-	\$23.21
Plaza Midwood/Noda	280	2,035,100	59,759	59,759	2.9%	12,510	-	552,717	\$28.25
Airport	348	13,570,502	1,619,748	1,678,484	12.4%	289,911	331,357	347,469	\$22.62
Park Road	85	1,233,092	80,890	80,890	6.6%	64,002	-	-	\$25.50
Matthews	240	2,813,609	274,004	275,810	9.8%	20,388	13,810	-	\$18.54
Cotswold	37	490,816	3,253	3,253	0.7%	-671	-	-	\$23.10
South/485	175	6,796,737	412,107	458,657	6.7%	217,160	-	383,151	\$32.96
South Charlotte	174	2,734,909	150,032	153,802	5.6%	-10,809	-	-	\$22.84
East Charlotte	323	3,200,941	221,540	221,540	6.9%	40,110	-	-	\$15.93
Southpark	99	5,640,435	466,604	558,261	9.9%	237,441	-	-	\$31.61
<b>Suburban Market Total</b>	<b>2,504</b>	<b>54,029,877</b>	<b>4,484,224</b>	<b>4,763,899</b>	<b>8.8%</b>	<b>1,004,904</b>	<b>398,094</b>	<b>1,351,257</b>	<b>\$24.45</b>
<b>Charlotte Metro Total</b>	<b>3,277</b>	<b>85,746,284</b>	<b>6,872,541</b>	<b>7,250,410</b>	<b>8.5%</b>	<b>1,466,775</b>	<b>398,094</b>	<b>4,236,765</b>	<b>\$27.47</b>

## OFFICE MARKET STATISTICS - FOURTH QUARTER 2017

Submarket	Total Buildings	Inventory (SF)	Direct Vacant (SF)	Total Vacant (SF)	Overall Vacancy (%)	YTD Net Absorption (SF)	YTD Deliveries (SF)	Under Construction (SF)	Average Asking Rent
CBD/Uptown	124	21,841,050	2,527,352	2,599,599	11.9%	-95,732	1,017,402	853,073	\$31.14
Midtown	644	9,566,418	281,566	366,747	3.8%	196,107	230,316	648,371	\$28.63
<b>Urban Market Total</b>	<b>768</b>	<b>31,407,468</b>	<b>2,808,918</b>	<b>2,966,346</b>	<b>9.4%</b>	<b>100,375</b>	<b>1,247,718</b>	<b>1,501,444</b>	<b>\$30.29</b>
Northeast I-77	388	5,636,759	368,428	405,642	7.2%	-33,229	-	25,114	\$22.06
Northwest Charlotte	191	1,313,534	56,444	56,444	4.3%	22,839	-	10,834	\$15.04
University	152	8,390,824	827,494	833,243	9.9%	-37,925	-	-	\$22.18
Plaza Midwood/Noda	278	2,092,555	34,394	34,394	1.6%	358,468	201,067	-	\$16.30
Airport	345	13,433,069	1,650,497	1,701,049	12.7%	48,789	23,000	376,000	\$19.86
Park Road	86	1,242,057	144,892	144,892	11.7%	-85,176	-	-	\$24.74
Matthews	237	2,768,013	271,324	273,130	9.9%	177,772	-	-	\$17.57
Cotswold	37	457,231	2,582	2,582	0.6%	8,339	-	-	\$23.79
South/485	171	6,942,204	593,797	643,405	9.3%	357,257	164,000	30,000	\$29.14
South Charlotte	173	2,742,442	139,223	139,223	5.1%	144,400	-	-	\$22.65
East Charlotte	320	3,097,796	250,387	250,387	8.1%	45,878	80,000	-	\$15.18
Southpark	100	5,709,311	710,208	789,869	13.8%	-98,639	231,000	-	\$30.08
<b>Suburban Market Total</b>	<b>2,478</b>	<b>53,825,795</b>	<b>5,049,670</b>	<b>5,274,260</b>	<b>9.8%</b>	<b>908,773</b>	<b>699,067</b>	<b>441,948</b>	<b>\$22.38</b>
<b>Charlotte Metro Total</b>	<b>3,246</b>	<b>85,233,263</b>	<b>7,858,588</b>	<b>8,240,606</b>	<b>9.7%</b>	<b>1,009,148</b>	<b>1,946,785</b>	<b>1,943,392</b>	<b>\$25.23</b>



## Mecklenburg Warehouse Market Statistics

Mecklenburg County has 2.4 million square feet of new warehouse space under construction in the fourth quarter of 2018. Most of the new construction is for large warehouses, only 104,000 square ft of the 2.4 million is for flex space (1818 Westinghouse Blvd). Of the new construction 73% is speculative development meaning that a developer is building the warehouse space without a formal commitment from any end user. With a vacancy rate of 5.5% there is little fear of overbuilding within the industrial market.

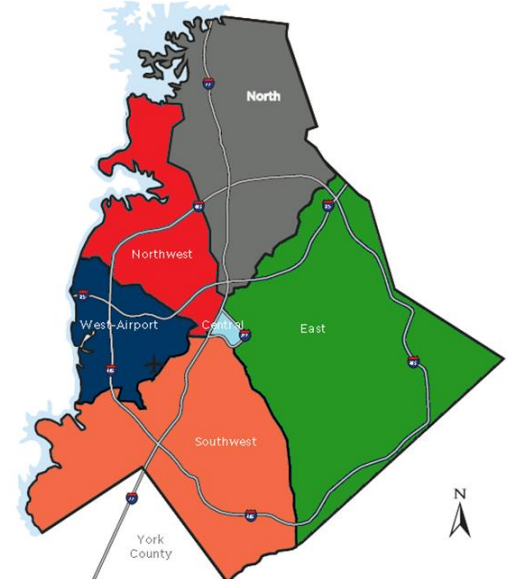
Limited supply has pushed year-over-year asking rate increases 10.5% to \$5.90 per square ft. Over the same period rates for flex space jumped 11.0% while larger warehouses grew at 10.4%, a large gain considering last quarter only saw a 2.5% gain.

### Significant Developments

PROJECT	SQUARE FT	DEVELOPER	ESTIMATED COMPLETION	SUBMARKET	TYPE
Steele Creek Commerce Park –Building 11	225,000	EastGroupProperties	Q1 2019	Southwest	Warehouse
John Price Rd & Westinghouse Blvd	220,683	BeaconPartners	Q1 2019	Southwest	Warehouse
Bryton Corporate Center –Building A	125,937	Foundry Commercial	Q1 2019	North	Warehouse
Steele Creek Commerce Park –Building 9	125,400	EastGroupProperties	Q1 2019	Southwest	Warehouse
WestPark85–Phase II	566,800	Foundry Commercial / P	Q2 2019	West Airport	Warehouse
Commerce Station Rd	324,000	FoundryCommercial	Q2 2019	North	Warehouse
Airport South Logistics Park –Building 200	148,466	McCraneyProperty Com	Q2 2019	West Airport	Warehouse
Charlotte Intermodal Logistics Center	420,000	The Silverman Group	Q3 2019	West Airport	Warehouse

### Market Outlook

- High levels of new construction for warehouse will increase the vacancy rate in the short term until new deliveries are leased or existing space is backfilled. The lack of new construction for flex product will continue to drive down vacancy.
- Rental rates for warehouse space will increase further over the next year. New product coming to the market will demand a higher price. Flex rates will likely remain stable until more quality product becomes available.
- Absorption levels will remain high for warehouse product, fueled by strong user demand. Absorption of flex space will stay positive in 2019, but in lower volumes due to a lack of quality product.
- Continued emergence of eCommerce will impact future redevelopment and development of bulk warehouse facilities as demand increases for “last mile” distribution centers.



INDUSTRIAL MARKET STATISTICS - Q4 2018									
Submarket	Total Buildings	Inventory (SF)	Total Vacancy (SF)	Vacancy Rate	Absorption (SF)	Past Four QTR Absorption	Completions (SF)	Under Construction (SF)	Weighted Average Rent per SF
<b>Warehouse</b>									
Central	153	4,383,355	64,431	1.5%	63,611	34,639	-	-	13.35
East	228	10,500,487	558,709	5.3%	(247,284)	226,617	-	24,000	4.43
North	587	31,810,842	741,816	2.3%	85,305	484,061	-	359,809	5.66
Northwest	225	13,487,073	1,299,484	9.6%	52,690	(12,306)	-	20,000	3.9
Southwest	473	41,991,985	3,254,109	7.7%	(257,674)	498,844	353,216	609,778	4.79
West Airport	479	20,508,767	987,008	4.8%	103,284	517,387	251,420	1,283,870	5.5
<b>Flex</b>									
Central	14	590,333	15,681	2.7%	1,450	3,356	-	-	24.74
East	76	3,037,698	44,716	1.5%	(2,783)	4,224	-	-	7.18
North	115	4,763,814	219,208	4.6%	146,053	171,001	-	-	9.11
Northwest	12	448,593	15,015	3.3%	-	(13,015)	-	-	9.6
Southwest	122	4,768,417	320,771	6.7%	99,603	179,544	-	104,000	9.63
West Airport	36	4,665,235	193,214	4.1%	32,347	136,498	-	-	10.72
<b>By Property Type</b>									
Total Warehouse	2,145	122,682,509	6,905,557	5.6%	(200,068)	1,749,242	604,636	2,297,457	\$5.31
Total Flex	375	18,274,090	808,605	4.4%	276,670	481,608	-	104,000	\$9.85
Mecklenburg Total	2,520	140,956,599	7,714,162	5.5%	76,602	2,230,850	604,636	2,401,457	\$5.90

INDUSTRIAL MARKET STATISTICS - Q4 2017									
Submarket	Total Buildings	Inventory (SF)	Total Vacancy (SF)	Vacancy Rate	Absorption (SF)	Past Four QTR Absorption	Completions (SF)	Under Construction (SF)	Weighted Average Rent per SF
<b>Warehouse</b>									
Central	156	4,450,302	144,940	3.3%	(14,725)	16,377	-	-	\$10.36
East	228	10,312,733	650,016	6.3%	47,885	(296,932)	-	-	\$3.87
North	586	31,028,308	673,585	2.2%	315,150	923,623	166,765	693,000	\$4.89
Northwest	225	13,440,726	1,144,159	8.5%	(140,326)	(394,587)	-	-	\$3.51
Southwest	465	39,962,335	1,104,133	2.8%	239,892	1,086,209	120,316	1,098,950	\$5.10
West Airport	473	19,609,927	565,930	2.9%	190,432	853,236	-	632,520	\$4.85
<b>Flex</b>									
Central	15	606,220	3,620	0.6%	6,125	2,449	-	-	\$15.54
East	78	3,088,683	55,540	1.8%	2,537	64,276	-	-	\$7.88
North	116	4,866,944	386,589	7.9%	(19,754)	(77,383)	-	-	\$9.14
Northwest	12	448,593	2,000	0.4%	-	(2,000)	-	-	\$8.16
Southwest	115	4,609,215	427,568	9.3%	(19,812)	94,859	-	-	\$8.88
West Airport	134	4,516,657	324,917	7.2%	57,134	108,432	-	-	\$8.28
<b>By Property Type</b>									
Total Warehouse	2,133	118,804,331	4,282,763	3.6%	638,308	2,187,926	287,081	2,424,470	\$4.76
Total Flex	470	18,136,312	1,200,234	6.6%	26,230	190,633	-	-	\$8.77
Mecklenburg Total	2,603	136,940,643	5,482,997	4.0%	664,538	2,378,559	287,081	2,424,470	\$5.28

INDUSTRIAL MARKET STATISTICS - YEAR-OVER-YEAR COMPARISON									
Submarket	Total Buildings	Inventory (SF)	Total Vacancy (SF)	Vacancy Rate	Absorption (SF)	Past Four QTR Absorption	Completions (SF)	Under Construction (SF)	Weighted Average Rent per SF
<b>Warehouse</b>									
Central	(3)	(66,947)	(80,509)	-1.80%	78,336	18,262	-	-	\$ 2.99
East	-	187,754	(91,307)	-1.00%	(295,169)	533,549	-	24,000	\$ 0.56
North	1	782,534	68,231	0.10%	(229,845)	(489,562)	(166,765)	(333,191)	\$ 0.77
Northwest	-	46,347	155,325	1.10%	193,016	382,281	-	20,000	\$ 0.39
Southwest	8	2,029,650	2,149,976	4.90%	(497,566)	(587,365)	232,900	(489,172)	\$ (0.31)
West Airport	6	898,840	421,078	1.90%	(87,148)	(385,849)	251,420	651,350	\$ 0.65
<b>Flex</b>									
Central	(1)	(15,887)	12,061	2.10%	(4,675)	907	-	-	\$ 9.20
East	(2)	(50,985)	(10,824)	0.30%	(5,320)	(60,052)	-	-	\$ (0.70)
North	(1)	(103,130)	(167,381)	3.30%	165,807	248,384	-	-	\$ (0.03)
Northwest	-	-	13,015	2.90%	-	(11,015)	-	-	\$ 1.44
Southwest	7	159,202	(106,797)	2.60%	119,415	84,685	-	104,000	\$ 0.75
West Airport	(98)	148,578	(131,703)	3.10%	(24,787)	28,066	-	-	\$ 2.44
<b>By Property Type</b>									
Total Warehouse	12	3,878,178	2,622,794	2.02%	(838,176)	(485,684)	317,555	(127,013)	\$ 0.55
Total Flex	(95)	137,778	(391,629)	2.19%	250,440	299,975	-	104,000	\$ 1.08
Mecklenburg Total	(83)	4,015,956	2,231,165	1.5%	(587,936)	(147,709)	317,555	(23,013)	\$0.62

INDUSTRIAL MARKET STATISTICS - YEAR-OVER-YEAR COMPARISON									
Submarket	Total Buildings	Inventory (SF)	Total Vacancy (SF)	Vacancy Rate	Absorption (SF)	Past Four QTR Absorption	Completions (SF)	Under Construction (SF)	Weighted Average Rent per SF
<b>Warehouse</b>									
Central	-2.0%	-1.5%	-25.0%	-120.0%	123.1%	52.7%	-	-	22.4%
East	0.0%	1.8%	16.3%	13.9%	119.4%	231.0%	-	100.0%	12.6%
North	0.2%	2.5%	9.2%	1.3%	-269.4%	-90.8%	-	-92.6%	13.6%
Northwest	0.0%	0.3%	12.0%	11.5%	366.3%	-3106.5%	-	100.0%	10.0%
Southwest	1.7%	4.8%	66.1%	63.6%	193.1%	-117.7%	65.9%	-80.2%	-6.5%
West Airport	1.3%	4.4%	82.7%	39.6%	-84.4%	-64.9%	100.0%	50.7%	11.8%
<b>Flex</b>									
Central	-7.1%	-2.7%	76.9%	77.8%	-322.4%	27.0%	-	-	37.2%
East	-2.6%	-1.7%	-24.2%	-20.0%	191.2%	-1421.7%	-	-	-9.7%
North	-0.9%	-2.2%	-76.4%	-71.7%	113.5%	145.3%	-	-	-0.3%
Northwest	0.0%	0.0%	86.7%	87.9%	#DIV/0!	84.6%	-	-	15.0%
Southwest	5.7%	3.3%	-33.3%	-38.8%	119.9%	47.2%	-	100.0%	7.8%
West Airport	-272.2%	3.2%	-68.2%	-75.6%	-76.6%	20.6%	-	-	22.8%
<b>By Property Type</b>									
Total Warehouse	0.6%	3.2%	38.0%	36.0%	419.0%	-25.1%	52.5%	-5.5%	10.4%
Total Flex	-25.3%	0.8%	-48.4%	-49.6%	90.5%	60.4%	#DIV/0!	100.0%	11.0%
Mecklenburg Total	-3.3%	2.8%	28.9%	26.8%	-767.5%	-6.6%	52.5%	-1.0%	10.5%

Green bars are positive year-over-year factors, red are negative factors. i.e., both inventory and vacancy are up in a given market. Red is used for the increased vacancy and green is used to designate the increased inventory.

Source: Cushman & Wakefield Charlotte NC Industrial Q3 2018 MarketBeat Report

## Mecklenburg County Housing Market Statistics

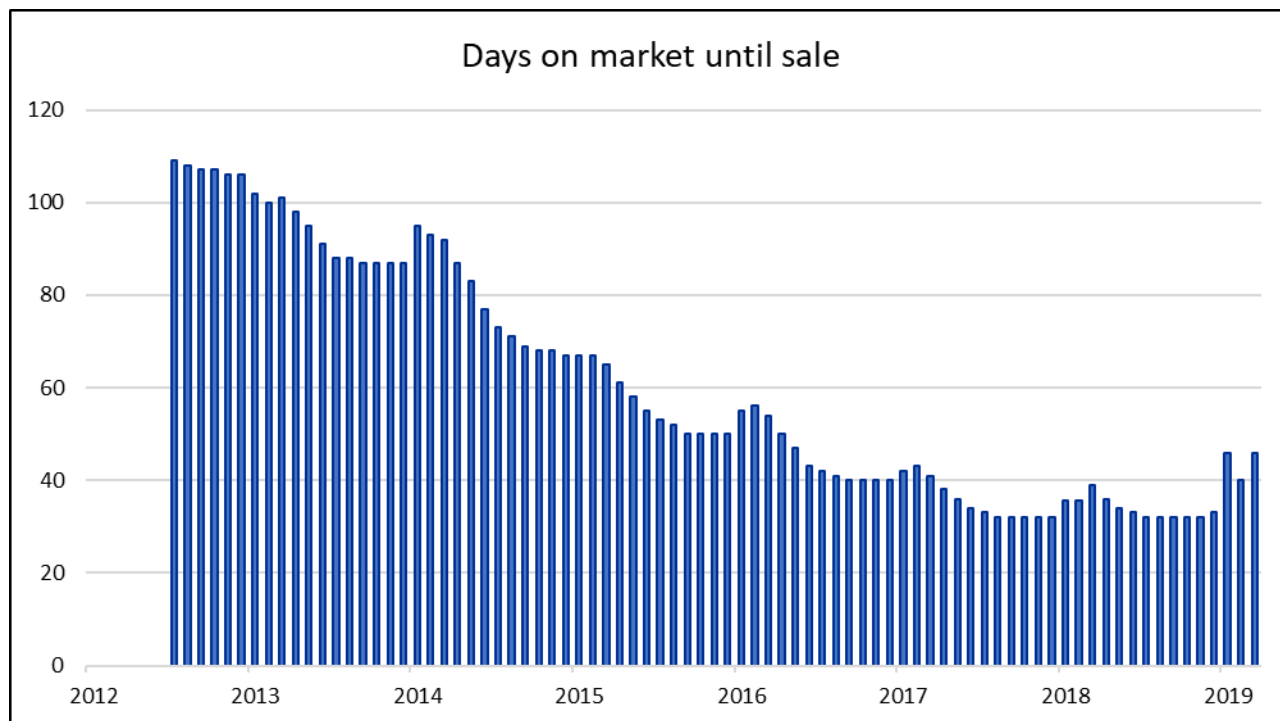
*The housing market continues to grow at a slower pace.*

Mecklenburg County's year-over-year home sales for March decreased -9.1%, with 1,593 properties sold compared to 1,752 properties sold over the same period last year. Pending sales are up 10.4% for the month with 2,216 this year compared to 2,007 in the previous year.

New listings year-over-year were down 8.5% with 2,369 properties for sale compared to 2,588 properties for sale over the same period last year.

March's average home price for the county is up year-over-year by 4.4% at \$331,217 compared to \$317,320 in March 2018.

Days on market until sale have moved from around 32 days to 46 in the most recent report. This is a bit higher than one would expect given that February is typically the month with the most days on the market before homes are sold. This further validates the findings from my last report that the pace of sales in the housing market have peaked and are starting to slow.



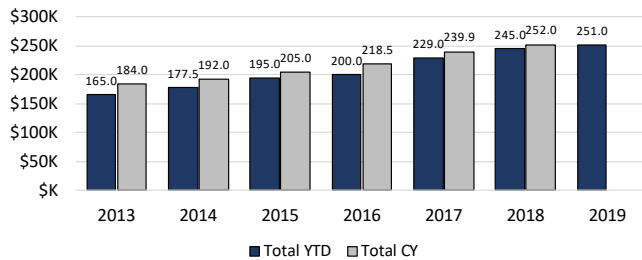
Of the submarkets only, Davidson and Lake Norman are showing decreasing year-over-year days on the market. Lake Norman homes vary greatly in features and price and data in this market is prone to fluctuations so it's difficult to say this is indicative of any trend. However, Davidson has shown consistent strength so the days on market in this area signal that the growth in Davison has bucked the trend of the rest of the county and will likely continue to show strength over the short run.



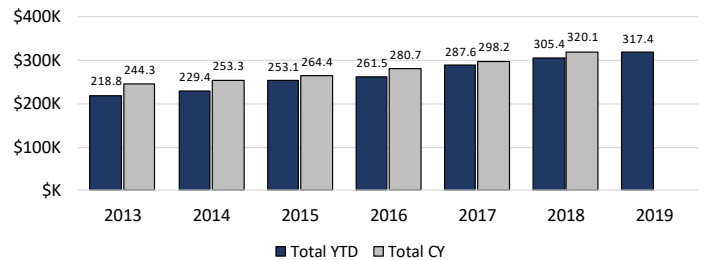
Mecklenburg County	March			Year to Date		
Key Metrics	2018	2019	Percent Change	Thru 3-2018	Thru 3-2019	Percent Change
New Listings	2,588	2,369	-8.5%	6,146	6,078	-1.1%
Pending Sales	2,007	2,216	10.4%	5,059	5,296	4.7%
Closed Sales	1,752	1,593	-9.1%	4,043	3,866	-4.4%
Median Sales Price*	251,000	262,340	4.5%	245,000	251,000	2.4%
Average Sales Price*	317,320	331,217	4.4%	305,422	317,415	3.9%
Percent of Original List Price Received	98.1%	97.1%	-1.0%	97.8%	96.7%	-1.1%
List to Close	87	94	8.0%	91	97	6.6%
Days on Market Until Sale	37	46	24.3%	39	46	17.9%
Cumulative Days on Market Until Sale	46	55	19.6%	48	55	14.6%
Inventory of Homes for Sale	3,057	3,092	1.1%	--	--	--
Months Supply of Inventory	1.8	1.9	5.6%	--	--	--

\* Does not account for sale concessions and /or down payment assistance.

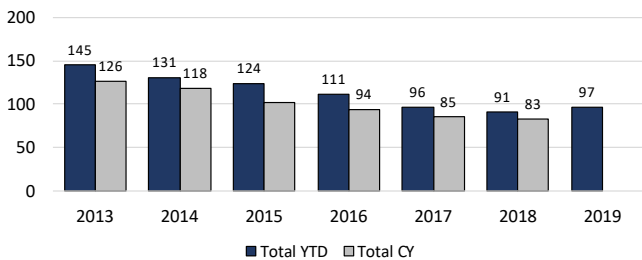
Median Sales Price



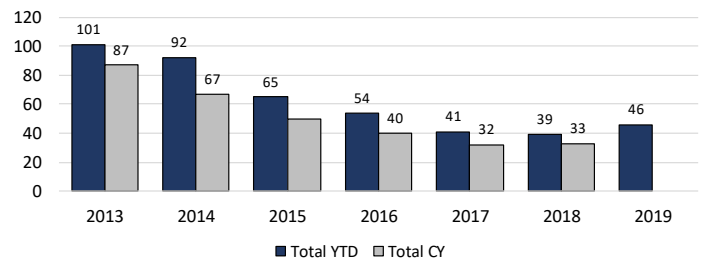
Average Sales Price



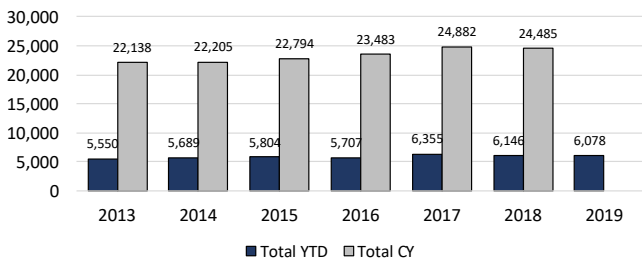
List to Close



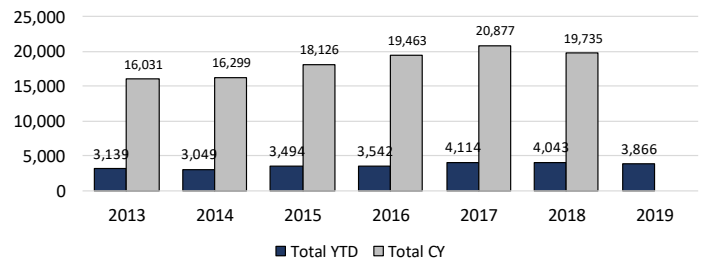
Days on Market Until Sale



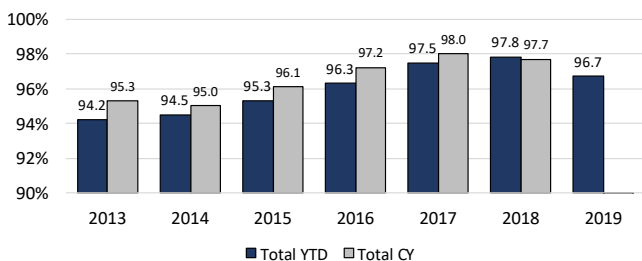
New Listings



Closed Sales



Percent of Original List Price Received



Cumulative Days on Market Until Sale

